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## INFORMATION REPORT

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## THIS IS UNEVALUATED INFORMATION

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- 1. The preliminary discussions of the Committee of Mutual Economic Aid (CMFA) in Moscow have not progressed as rapidly as had originally been hoped and it is now considered unlikely that the committee's final recommendations will be available before August. A DDR delegation headed by Kurt Gregor, Secretary of State of the Ministry of Foreign Trade, and Muth of the Statistisches Zentralamt (Central Statistics Office) of the State Planning Commission, which was to have left for Moscow in May for discussions on the establishment of a unified statistical and accounting system among members of the Soviet bloc, is still in Berlin awaiting instructions. (1) As agreement in this sphere is regarded as an indispensable preliminary to the successful conduct of the actual trade negotiations, members of the DDR trade delegation do not expect to leave for Moscow before late August.
- 2. The various officials who have been called to Moscow during recent months to give advice on problems of a specialist or technical nature do not participate in the deliberations of the committee, but carry on entirely independent discussions. When these are complete a summary of the proceedings and the recommendations resulting therefrom is laid before the committee, which may either accept them or refer them for further consideration. Any information which individual experts may acquire on the views of the committee is therefore restricted to a single sphere.
- 3. The DDR trade delegation to Moscow will consist of the following:

Head of delegation;

Heinrich Rau

President of the State Planning Commission.

Other members:

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Georg Handke

Minister of Foreign and Domestic Trade.

Selbmann

Minister of Heavy In-

Gerhard Ziller

Minister of Machinery

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CENTRAL INTEL 7 CARE AGENCY

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Albert Binz

Staatssekretariat Materialversorgung (State Secretariat for Materials Supply), State Planning Commission.

Dr. Heinrich Bertsch



Dr. Longe (fnu)

Hauptabteilungsleiter Wissenschaft und Technik (Chief, Science and Technology Division), State Flanning Commission,

4. In addition to the above, several other officials have been provided with provisional travel permits and informed that they may be required to pay brief visits to Moscow as advisers during the course of the negotiations. These include:

Kurt Wolf

Chief, Hauptverwaltung Schwermaschinenbau (Heavy Machinery Construction Division), Ministry of Machine Construction.(2)

Wilhelm Friedel

Deputy to Wolf.

Hütter (fnu)

Abteiungsleiter Chemie (Section Chief, Chemistry), Staatsekretariat Materialversorging, State Flanning Commission.

Dirk Van Rickelen

Chief, Haptverwaltung Steine und Erden (Stones and Ceramics Division), Ministry of Heavy Industry.

Dieter Zamleck

Hauptabteilung (sic. Hauptater verwaltung?) Wetallurgie

in alloway

Muth

Statistisches Zeitralamt.(1)

Erich Kramer

Generaldirektor, eichsbahn.(4)

- 5. In accordance with the general trend of current economic policy within the Soviet bloc, there is now a regular exchange of information among the planning inistries of Soviet bloc countries. The sole exception is the USR itself, which releases no figures of planned and actual production or inports. From all other members the DDR receives monthly reports on imports and poduction, as well as details of planned production and imports (both short and long term), current bottlenecks and other difficulties encountered, and a certain amount of information on technical and scientific development.
- 6. Within the State Planning Commission only Rau and his personal assistant Kur. Zinke, who also heads the Buro für Fragen der gegenseitigen Wirtschaftshilfe



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(Office for Questions of Mutual Economic Aid), are entitled to see all such reports and are fully conversant with economic developments in other satellite. (5) Affiother officials receive only such reports as are considered by Rau to be necessary for the satisfactory execution of their duties. With the exception of scientific and technical data which have a much wider circulation, such information is never distributed below Hauptabteilungsleiter level.

- 7. Outside the State Planning Commission, cities of short structured to Georg Handke, Kurt Gregor, and the last received to Georg Handke, Kurt Gregor, and the last received as foreign trade adviser on CMEA question 1. Theads of satellite trade also sions in Berlin also receive a certain amount of information on economic development in the DDR and other satellites. Information on CMEA is not normally passed except where considered to be of immediate interest, and then only indirectly through the government of the country concerned. (1)
- 8. Efforts of the DDR to obtain alternative sources of supply for items unobtainable in the West have been closely related to its general policy of achieving industrial self-sufficiency and of becoming as far as possible independent of all supplies from the West whether previously obtainable or not. One reason for the delay in the signing of the 1951 trade agreements with Czechoslovakia and Poland was the DDR's insistence on greatly increased deliveries of steel sheets, fine sheets, special profile steel and plates for ships, all of which were practically unobtainable in the West. As additional supplies have now been promised, the DDR is no longer dependent on the West for these items. Brown coal and pig iron requirements can also be satisfied entirely from within the Soviet bloc.
- 9. In respect of all other materials, the DDR is still a long way from achieving its aim, though some progress has been made in the manufacture of fine steels and deliveries of steel for machine tools from Czechoslovakia are to be stepped up considerably. It is also hoped that, as a result of the new agreement now being negotiated, greatly increased supplies of hardening agents and other non-ferrous metals will be forthcoming from China in 1952. During the current year, however, a considerable proportion of the DDR's requirements in this sphere will have to be met, if at all, through trade with outside the Soviet bloc.

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- 10. Although there is no indication of any relaxation of Soviet control, a number of organizational changes have been and are to be made, with the apparent object of effecting economies in the use of Russian personnel at the executive level.
  - a. The dissolution of Soviet trading agencies in the DDR. The DDR offices of the various import agencies are to be closed. Requests for supplies will in the future be made through the Handelsvertretung der UdSSR (Trade Mission of the USSR).
  - b. The dissolution of Techsnabs. There were originally four Techsnabs in Berlin, Halle, Dresden, and Erfurt, which were responsible for the allocation of raw materials to SAGs. Of these the Dresden and Erfurt offices have already been closed and their functions transferred to Berlin and Halle. It is anticipated that Berlin and Halle will also be closed whereupon distribution to both SAGs and VEBs will become the responsibility of the DHZs acting on instructions from the Staatssekretariat Naterialversorgung. It is possible, however, that Techsnab Berlin (Base Marten) will be retained as a purchasing agency for urgently required materials.
  - c. Grant of increased powers to the Stantssekretariat Materialversorgung.

    The Staatssekretariat Materialversorgung now has complete control over allo-



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cation of materials to both VEBs and SAGs. Individual SAGs may no longer as hitherto appropriate urgently needed supplies from DANIAs or DHZs without prior authority from Materialversorgung.

(1).	Comment: Muth is apparently Walter Muth, Gruppenleiter, Abteilung Handel und Versorgung (Group Director, Trade and Supply Section), State Planning Commission.
(2).	Comment: Kurt Wolf is Oberreferent Eisenindustrie (Head, Iron Industry Desks), HV Metallurgie, Ministry of Heavy Industry (sic).
(3).	Comment: Dr. Dieter Zaulek is Technischer Leiter (Technical Director) of HA (sic. HV?) Metallurgie.
(4).	Comment: The name of the Generaldirektor of the Reichsbahn   is reported as Erwin Kramer   50X1-HUN
(5).	Comment: This list is not complete. 50X1-HUI
(6).	Comment: The Buro für Fragen der gegenseitigen Wirtschaftshilf
(7).	Comment: Homelin is probably Kurt Homelin, Abteilung Handelspolitik (Trade Policy Section), Ministry of Foreign and Domestic Trade.
(8)	Comment: No direct communication between CMEA representatives and satellite missions could be observed. It is doubtful whether CMEA information passed on by satellite governments would be clearly recognizable as such.

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